



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012

MARK J. SALADINO
TREASURER AND TAX COLLECTOR

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(213) 626-1812

August 5, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AN AMENDMENT WITH CORE BUSINESS
TECHNOLOGIES, AGREEMENT NUMBER 74507, TO PROVIDE FOR A
SUBSTITUTION IN ESCROW AGENT
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATIONS ()
DISAPPROVE ()**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign Amendment No. 1 ("Amendment") with CORE Business Technologies ("CORE") to provide for a substitution in escrow agents by way of novation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 10, 2003, your Board authorized and approved Agreement No. 74507 with CORE for the provision of an automated cashiering system. The Agreement terms included authority delegated to the Treasurer and Tax Collector to execute a tri-party Escrow Agreement with CORE and John Earle, Esquire, to provide software escrow services for the Automated Cashiering System. Recently, John Earle, Esquire, has notified CORE that he is retiring and thus will no longer be providing escrow services. Subsequently, Cameron & Mittleman, LLP has been selected by CORE as the new proposed Escrow Agent; TTC concurs with this selection. This Amendment is a contract novation to effectuate this transition to the new Escrow Agent.

Implementation of Strategic Plan Goals

Board approval of this Amendment is consistent with the County's Strategic Plan Goal of Organizational Effectiveness. This Amendment provides for continuity of software escrow services.

FISCAL IMPACT/FINANCING

There will be no change to the maximum County obligation under the current Board adopted Agreement. CORE, as Licensor, is solely responsible for any and all fees, costs, and expenses due the Escrow Agent under this Agreement.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

The original agreement with CORE, Agreement No. 74507, was adopted by the Board on June 10, 2003. The Amendment will become effective upon your Board's approval. County Counsel has reviewed and approved this Amendment as to form. The County's Chief Information Officer concurs with the Department's recommendation.

IMPACT ON CURRENT SERVICES

There is no negative impact on current services. The recommended Amendment provides for a new Escrow Agent and will ensure the continuous provision of software escrow services, as the new Escrow Agent has subscribed to all terms and conditions of the prior Agent.

CONCLUSION

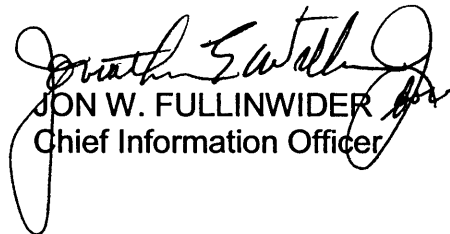
Instruct the Executive Officer/Clerk of the Board to return two (2) signed originals of the Amendment No. 1 to the Treasurer and Tax Collector and one adopted stamped copy of the Board letter.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

Reviewed by:



JON W. FULLINWIDER
Chief Information Officer

MJS:MH:mh

D:\mh\Automated Cashiering\ACS 2003\Amend 1\ACS Amend 1 Bd Ltr 08-04-04.doc

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

CIO ANALYSIS

TREASURER AND TAX COLLECTOR AMENDMENT NO. 1 TO AGREEMENT 74507 WITH CORE BUSINESS TECHNOLOGIES

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract

New/Revised Contract Term: Base Term: N/A # of Option Yrs: N/A

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: John McKinney, Operations Chief, Banking and Remittance

Budget Information :

Y-T-D Expenditures	\$
Requested Contract Amount	\$ 489,175
Aggregate Contract Amount	\$ 489,175

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards? A web-based application was preferred, only one proposal met this requirement and its limited functionality and higher cost lowered its ranking in the evaluation process.

Project/Contract Description:

The Treasurer and Tax Collector (TTC) is requesting Board approval of Amendment No. 1 to Agreement No. 74507 with CORE Business Technologies (CORE) to provide for a substitute escrow agent for the Department's Automated Cashiering System (ACS). This Amendment will not impact the County's obligation under the current agreement.

Background:

On June 10, 2003, the Board approved Agreement No. 74507 with CORE to replace the legacy ACS with a modern, Windows-based client/server, payment processing system. Additionally, your Board delegated authority to TTC to execute a tri-party software escrow agreement with CORE and John Earle, Esquire (Escrow Agent) for software escrow services for the ACS. Mr. Earle has notified CORE that he is retiring and will no longer be providing escrow services. CORE has selected Cameron & Mittleman, LLP as the new Escrow Agent and Amendment No. 1 to the existing Agreement will effectuate this transition.

Project Justification/Benefits:

This Amendment provides a new Escrow Agent and will ensure for the continued provision of escrow services under this Agreement.

Project Metrics

Not applicable.

Impact If Proposal Is Not Approved:

Escrowing the software provides the Department the ability to ensure access to the software for this mission critical application against unforeseen events.

Alternatives Considered:

None.

Project Risks:

None.

Risk Mitigation Measures:

Not applicable.

Financial Analysis:

This action will not impact the maximum County obligation under the Agreement. CORE is solely responsible for any and all fees, costs, and expenses for these services under this Agreement.

CIO Concerns:

None.

CIO Recommendations:

The CIO recommends approval of this Amendment.

CIO APPROVAL

Date Received: 08/04/2004
Prepared by: [Signature]
Date: 08/05/2004
Approved: [Signature]
Date: 08/05/2004

AMENDMENT NUMBER I

**AUTOMATED CASHIERING SYSTEM
COUNTY AGREEMENT NO. 74507**

This Amendment Number 1 ("Amendment") is entered into by and between the County of Los Angeles ("County") and CORE Business Technologies, a Rhode Island corporation ("Contractor"), effective as of August 17, 2004, based on the following recitals:

WHEREAS, on June 10, 2003, the County and Contractor entered into County Agreement Number 74507 for the provision of an automated cashiering system (the "Agreement");

WHEREAS, the Agreement, at Section 6.1 (Change Notices and Amendments), requires that for any change which affects any term or condition must be in the form of a duly executed Amendment to be effective;

WHEREAS, the parties desire to substitute source code escrow agents under the Agreement;

NOW, THEREFORE, the parties amend the Agreement as follows:

- 1.0 The Agreement, at Exhibit F (Preferred Escrow Agreement) shall be amended by way of novation to pass all escrow duties, responsibilities and rights from John Earle, Esquire (the "Current Escrow") to Cameron & Mittleman, a Rhode Island Limited Liability Partnership, Escrow Agent (the "New Escrow"). Without limiting the generality of the foregoing, all references in Exhibit F to Escrow Agent shall now refer to the New Escrow.
- 2.0 Except for the changes set forth herein, all other Terms and Conditions of the Agreement shall remain the same.

/

AMENDMENT NUMBER ONE

AUTOMATED CASHIERING SYSTEM
COUNTY AGREEMENT NO. 74507

The County, Contractor, Current Escrow, and New Escrow have each caused this Amendment One to be subscribed by its duly authorized representative.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

ATTEST:
VIOLET VARONA-LUKENS
Executive Officer
Board of Supervisors

By: _____
Deputy

Cameron & Mittleman
a Rhode Island LLP

By: _____
Name: Joseph A. Anastos
Title: Partner

John Earle, Esquire

By: _____
Name: JOHN G. EARLE
Title: ESCROW AGENT

CORE Business Technologies,
a Rhode Island corporation

By: _____
Name: Mark S. Cohen
Title: President

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: _____
John L. Geiger
Senior Deputy County Counsel